

Date Mailed
October 1, 1998

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the City of Spooner, as an Electric
Public Utility, for Authority to Increase Electric Rates

5630-ER-102

**NOTICE OF PROCEEDING, INVESTIGATION, ASSESSMENT OF COSTS,
AND TELEPHONIC HEARING**

THIS IS A PROCEEDING, pursuant to Wis. Stat. §§ 196.03, 196.20, and 196.37, to consider the June 29, 1998, application of the City of Spooner, Washburn County (Spooner), as an electric utility, for authority to increase rates.

Spooner requests a rate increase, which will produce an 8.0 percent rate of return on net investment rate base. Spooner cites increases in operating expenses and the value of its utility plant, since its last rate case in 1990, as the primary reasons for needing this increase.

Upon review of Spooner's filing, Commission staff has proposed an overall increase in revenues of 6.3 percent. If Commission staff's proposal is approved, an average residential customer's bill would increase 9.6 percent, from \$31.57 to \$34.60, monthly, based on an average monthly usage of 570 kWh. Commission staff's proposal also includes a 3.7 percent increase for the general service (farm and commercial) customers, a 5.9 percent increase for the small power customers, and a 6.0 percent increase for the large power customers. These percentages represent the impact for an average customer in these rate classes. Individual customer bill impacts will differ from these percentages depending upon each customer's electric usage.

Spooner is responsible for giving notice to its customers of the filing of its application with the Commission, and, pursuant to Wis. Admin. Code § PSC 2.73, for producing proof of such notice at the hearing.

NOTICE IS GIVEN that the Commission will investigate this matter and hold a public hearing on October 16, 1998, at 11:00 a.m. This will be a telephonic hearing conducted from two sites. Spooner will provide a room for customer participation in City Hall located at 515 Summit Street, Spooner, Wisconsin. Customers may call Spooner at (715) 635-8769 for further details on the location of the hearing room. This building is accessible to people in wheelchairs. Commission staff will participate from the Lake Superior Room in the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way first floor entrance (lobby). Parking for people with disabilities is available on the south side of the building. Any person

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with a disability who needs additional accommodations at the Public Service Commission Building should contact Richard Teslaw, General Services Assistant, at (608) 267-9766.

NOTICE IS FURTHER GIVEN that this matter is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

This is a Type III action under Wis. Admin. Code § PSC 4.10(3). No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under Wis. Stat. § 1.11, nor an environmental assessment is required.

NOTICE IS FURTHER GIVEN that the Commission considers it necessary in order to carry out its duties herein to investigate all books, accounts, practices, and activities of Spooner. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from Spooner, in accordance with the provisions of Wis. Stat. § 196.85, and Wis. Admin. Code ch. PSC 5.

Questions regarding this matter may be directed to case coordinator Jerry Albrecht at (608) 267-5111.

Dated at Madison, Wisconsin, _____

For the Commission.

Susan E. Stratton
Administrator
Electric Division

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